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Report of the Secretary-General on his mission of good offices in Cyprus

I. Introduction

1. The present report on my mission of good offices in Cyprus covers developments from 15 May to 22 December 2015. It focuses on the record of activities carried out by my good offices mission under the leadership of my Special Adviser, Espen Barth Eide, regarding the full-fledged negotiations between the Greek Cypriot and Turkish Cypriot leaders. The Security Council, in its most recent resolution on Cyprus (resolution 2234 (2015), welcomed the progress made so far and the ongoing efforts of the leaders and their negotiators to reach a comprehensive and durable settlement.

II. Background

2. The negotiations to reach a comprehensive settlement continued to proceed on the basis of relevant Security Council resolutions as well as the Joint Declaration concluded by the sides on 11 February 2014. Building on the work conducted since the beginning of full-fledged negotiations in September 2008, the current round of talks between the Greek Cypriot leader, Nicos Anastasiades, and the Turkish Cypriot leader, Mustafa Akıncı, has been under way since 15 May 2015, when the leaders met in the presence of my Special Adviser and announced their intention to work tirelessly to reach a comprehensive settlement of the Cyprus question as soon as possible. The leaders also agreed that the negotiations would be leader-led and they have since engaged in results-oriented and structured talks on core issues across chapters.

III. Status of the process

3. Since 15 May, the Greek Cypriot leader, Mr. Anastasiades, and the Turkish Cypriot leader, Mr. Akıncı, have consistently shown great determination and political will to pursue their common objective of reaching a comprehensive settlement as soon as possible. They have personally engaged in extensive discussions, holding 19 meetings during the reporting period. Their negotiators and teams of experts have also been holding intensive meetings, often on a daily basis,

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negotiating a range of issues under the various chapters. A total of 62 such meetings were held during the reporting period.

4. Through such intensive and steady engagement, the sides have made considerable progress on many topics relating to the chapter on governance and power-sharing, including the federal legislature, the federal judiciary, federal competences, internal aspects of security, as well as on issues related to citizenship. They have also held extensive and productive negotiations on the economy chapter and have repeatedly reiterated their common vision to negotiate a settlement that would be in line with European Union principles. In addition, in a welcome development, the sides have agreed to increase the engagement in the process, under the aegis of the United Nations, of several other international actors, including the European Union and international financial institutions.

5. On 30 October, recognizing the work conducted by their respective negotiators and negotiating teams, the leaders announced that they intended to engage in an intensified phase of the talks, a phase in which they would take an even more direct role in the negotiations, with the purpose of seeking mutually beneficial solutions on issues where divergences remained. Throughout November and December, the sides therefore engaged in an intensified schedule of meetings, at both the leader and the negotiator levels.

6. During the intensified phase, they worked steadily on outstanding issues and focused particularly on the key chapter of property. This work built on the agreement reached and announced by the leaders on 27 July that the right of the individual to property would be respected and that there would be different alternatives for regulating the exercise of that right. The leaders also agreed that dispossessed owners and current users would have various choices regarding their claims to affected properties, including compensation, exchange and reinstatement, and that these would be subject to agreed criteria. Following the initial understandings reached on those key aspects and others of the property chapter, the sides have been steadily working to formulate the criteria to be applied to determine which of the various remedies mentioned above are to be used.

7. The leaders have reiterated their understanding that, owing to its international dimension, the issue of security and guarantees would be discussed at a later stage in the process. Given the recent intensified period of negotiations, however, it is my Special Adviser's increasing sense that both sides are ready to start discussing these issues. Following his appointment in August 2014, my Special Adviser has engaged on a regular basis with various regional actors that are pivotal to the process, notably the three guarantor Powers, namely Greece, Turkey and the United Kingdom of Great Britain and Northern Ireland. The three guarantor Powers have repeatedly stated that the current window of opportunity for a solution to the Cyprus question should not be missed.

8. A prominent feature of the current round of talks has also been the agreement between the sides to enable the European Union to play an enhanced role in the peace process under United Nations auspices. That has resulted in several developments. First, the sides reached an agreement on 3 October to set up the Bicommunal Ad Hoc Committee on European Union Preparation to help prepare for the implementation of the *acquis communautaire* of the European Union in a future Turkish Cypriot constituent State. In addition, the Personal Representative of the President of the European Commission to the good offices mission of the United

Nations in Cyprus, Pieter Van Nuffel, is now fully engaged in Cyprus, together with a small team. Finally, during the reporting period, the European Commission held a series of workshops for Greek Cypriot and Turkish Cypriot officials, which were conducted under United Nations auspices, involving expert officials specialized in different areas of the European Union *acquis*.

9. The political leadership of the European Union continued to be very supportive of the efforts of my Special Adviser in Cyprus and demonstrated its interest through several visits to the island at the highest level, including by the President of the European Commission, Jean-Claude Juncker, on 16 July, the High Representative of the European Union, Federica Mogherini, on 24 July, the President of the European Council, Donald Tusk, on 11 September, and the Presidency of the European Council, represented by the Minister for Foreign Affairs of Luxembourg, Jean Asselborn, on 22 December. In his annual State of the Union address to the European Parliament on 9 September, Mr. Juncker expressed his hope and ambition to see the island united in 2016. He offered his full support and noted the importance of continued good coordination between United Nations and European Union efforts.

10. Another noteworthy feature of the current round of talks has been the request by the leaders to my Special Adviser seeking expert technical assistance under United Nations auspices, where appropriate and with their consent, with the aim of supporting the two communities in finding sustainable solutions to economic issues in a post-settlement Cyprus. On that basis, my Special Adviser has actively engaged with international financial institutions, including the International Monetary Fund and the World Bank, to seek their expert technical assistance, of a purely advisory nature, in support of the leaders and their negotiating teams, under United Nations auspices and in close liaison with my good offices mission in Cyprus. Delegations from both institutions visited Cyprus in December to discuss the exact scope of their work with both communities.

11. The sides have also engaged in intense work at the level of the various working groups of experts and technical committees. In particular, the working groups of experts on property, economy and European Union matters have met regularly to hold focused discussions at the technical level. In addition, on 26 October, the sides formalized the establishment of a legal expert group, which has been meeting since that date to begin the important work of drafting federal laws for a post-settlement Cyprus.

12. In addition to already functioning technical committees, during the reporting period the leaders agreed to put in place additional committees focusing on specific areas. For example, on 15 May 2015, they announced the establishment of a committee to promote cultural events that could bring the two communities closer together.

13. Notably, recognizing that the Cyprus issue can only be properly solved with due understanding of the perspectives of both women and men, on 28 May, the leaders agreed to establish the Committee on Gender Equality. The leaders also formulated a specific mandate for the Committee that makes clear reference to Security Council resolution 1325 (2000). Following the agreement, both sides appointed members to the Committee, which comprises both men and women. The Committee held its first meeting in August and has been meeting regularly ever since. Finally, on 25 November, the leaders agreed to establish a Technical

Committee on Education, which would review existing research and good practices in education in Cyprus and abroad and undertake new relevant research on how education might contribute to peace and reconciliation, work on devising a mutually acceptable mechanism for the implementation of confidence-building measures in schools and promote contact and cooperation between students and educators from the two communities. The Committee would also recommend best policy options and courses of action to allow for the coordination of the two educational systems, thereby contributing to a viable, sustainable and functional bicommunal and bizonal federation.

14. During the reporting period, as a sign of their shared commitment, the leaders agreed to work together on a number of confidence-building measures that would mutually benefit the two communities. The sides have since been working on the implementation of such confidence-building measures. As I have already reported, progress has been made on demining and crossing points, with the lifting of a requirement to fill in administrative forms at crossing points and increased access for the Committee on Missing Persons. However, the sides have yet to implement the earlier agreements on interconnectivity of electricity grids and the interoperability of mobile telephones. In an important visible sign of joint commitment, the leaders also made various joint public appearances at events and social gatherings, including addressing a conference on 8 July organized by the two chambers of commerce on the economic benefits of a settlement and at a concert organized by the Technical Committee on Culture, held in Famagusta on 28 July.

15. In support of the process, I have continued to keep the resolution of the Cyprus question high on the agenda of the United Nations and on the agenda of key regional and international leaders. I have held discussions on the Cyprus question with various Heads of State and senior officials, including the President, Prime Minister and Minister for Foreign Affairs of Turkey and the Prime Minister and Minister for Foreign Affairs of Greece.

16. In addition, my Special Adviser has had extensive and regular contacts with international partners and relevant regional players. Such contacts culminated in the months of October and December 2015 with visits to the island by the Secretary of State of the United States of America, the Minister for Foreign Affairs of the Russian Federation, the Foreign Secretary of the United Kingdom, the Minister for Foreign Affairs of Germany and the Minister for Foreign Affairs of China, among other high-level visits. During the discussions and contacts with all foreign actors, my Special Adviser continued to tirelessly emphasize the significance of united international support.

IV. Observations

17. Since 15 May, the talks have maintained a steady pace and, while a great deal of work remains, the progress achieved on many issues has been encouraging and unprecedented. As shown also in recent polling, there is a growing expectation among the public in both communities that the overall positive atmosphere at the negotiation table and the constructive personal relationship between the leaders and their negotiating teams will indeed lead the process to its ultimate objective of reaching a comprehensive and durable settlement.

18. I am particularly heartened to note that the sides have engaged in negotiations with a problem-solving approach. The leaders have shown that, while each negotiates in the interests of his own community, each has been able to equally take into consideration the concerns of the other community in order to reach a settlement that is in the best interests of all citizens of a future united Cyprus.

19. During the reporting period, notwithstanding the fundamental principle that nothing is agreed until everything is agreed, the sides have been able to reach further convergences and mutual understandings. In particular, I note that the leaders have taken positive steps towards translating their common vision for a united Cyprus into concrete progress and strategic compromises on a number of key issues.

20. While it is clear that important work remains, I am encouraged by the openness and collaborative spirit that has characterized the engagement of the sides during the reporting period and by their common recognition of the need to grasp the current momentum and positive climate surrounding the process to move it forward.

21. In particular, I commend both leaders for their ongoing efforts to refrain from engaging in a blame game, and I encourage them instead to continue to use key opportunities to communicate jointly to the public in a constructive and coordinated manner, as they have already done on several occasions. That was demonstrated, for instance, with the joint statement issued by the leaders on 18 November, following the incidents that occurred two days prior in which Turkish Cypriots had been targeted during protests. Notably, during their last meeting of 2015, held on 20 December, the two leaders recorded an unprecedented joint New Year's video message, expressing their shared wish to see the country united during the course of 2016, both of them speaking in both Greek and Turkish.

22. I am also encouraged by the concrete steps undertaken to foster the participation of women in the negotiations. Notably, in addition to the establishment of the Committee on Gender Equality, both sides have increased the number of women who are directly involved in the talks, either as members of the negotiating teams or as members of the working groups of experts, often in leading positions. Those steps are a testimony to the increasing awareness, in the context of the Cyprus peace process, of the importance of ensuring a greater gender perspective in the talks.

23. I appreciate the readiness of the leaders to seek technical assistance in finding sustainable solutions to the economic issues in a post-settlement Cyprus. In that regard, I take positive note of the request by the leaders to my Special Adviser related to the provision of technical assistance on economic aspects of the talks and of the initial engagement that the sides have started to have with relevant international financial institutions, including the International Monetary Fund and the World Bank. I believe that that rather innovative work will be important to ensuring that a solution will be economically and fiscally viable, while also creating opportunities for economic growth and stability in a post-settlement phase.

24. Remarkably, Greece, Turkey and the United Kingdom have, despite heavy domestic agendas and other increasingly difficult pressing issues relating to dealing with the refugee and migration crisis in Europe, shown firm and steady commitment

throughout the period to supporting efforts to reach a comprehensive solution of the Cyprus issue in the foreseeable future.

25. The United Nations continues to remain fully engaged in support of the efforts of the sides to find a comprehensive settlement. My mission of good offices and the United Nations Peacekeeping Force in Cyprus (UNFICYP) work in full synergy, which is ensured also through the role that the Special Representative and Head of UNFICYP has as my Deputy Special Adviser. Furthermore, UNFICYP continues to provide administrative and logistical support to the Office of the Special Adviser, which is key to the smooth conduct of meetings between the leaders and negotiators, as well as the many meetings held by technical committees, eight of which UNFICYP currently facilitates, and by working groups of experts. In the light of the positive developments on the ground, my good offices mission has maintained close coordination with UNFICYP as the latter has intensified its planning in relation to a settlement, as requested by the Security Council, most recently in its resolution 2234 (2015). That planning will continue to be guided by developments in the negotiations and the views of the sides on a possible role for the United Nations in that respect.

V. Conclusions

26. While there is no official timeline for the negotiations, I remain convinced that there is a real, unique window of opportunity for the process to finally succeed. I firmly believe that the months ahead remain crucial if the sides are to achieve the key and tough compromises necessary to reach a comprehensive settlement as soon as possible.

27. At a time characterized by extreme political volatility and with a geopolitical situation in which societies have been ripped apart and violence is ever growing, the negotiations to solve this long-standing conflict offer a beacon of hope. The manner in which the leaders and their negotiators have engaged across the table, showing political will, leadership and increasing mutual trust, is an encouraging reminder that, through real dialogue and mutual efforts, even the most entrenched conflicts can be resolved through a negotiated solution.

28. In order to move forward, the sides need to reach further convergences on outstanding issues across chapters, particularly on property. I am also confident that progress achieved on property will lead to increased readiness by both sides to engage in substantive negotiations on territory and security and guarantees, given that there is an understanding that in-depth negotiations on those issues will take place towards the final stages of the process.

29. There is no room for complacency, given that substantial work remains ahead. It is my conviction, however, that a settlement is today closer than ever. I therefore call upon the leaders to maintain the momentum, as the talks are well into the substantive phase in which core issues across chapters are being considered. I encourage them to continue to negotiate on those issues with good faith, political will, leadership and mutual trust.

30. I believe that an agreement is within reach, and I trust that the leaders and all Cypriots will do their utmost at this crucial time to grasp the current opportunity and to finally translate the vision of a united Cyprus into a reality.

31. In conclusion, I wish to thank my Special Adviser, Espen Barth Eide, and my Special Representative, Lisa Buttenheim, and the personnel serving in my good offices mission in Cyprus for the dedication and commitment with which they have discharged the responsibilities entrusted to them by the Security Council.